



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-3

October 31, 2002

Carter Olson, Treasurer  
Arizona State Democratic Central Executive  
Committee  
2910 North Central Avenue  
Phoenix, AZ 85012

Identification Number: C00166710

Reference: July Quarterly Report (4/1/02-6/30/02)

Dear Mr. Olson:

This letter is to inform you that as of October 30, 2002, the Commission has not received your response to our request for additional information, dated October 9, 2002. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request (copy enclosed).

An adequate response must be received at the Commission by November 20, 2002. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter, please contact Eric Koeppen on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,

A handwritten signature in dark ink, appearing to read "John D. Gibson".

John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

Enclosure



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Carter Olson, Treasurer  
Arizona State Democratic Central Executive  
Committee  
2910 North Central Avenue  
Phoenix, AZ 85012

OCT 09 2002

Identification Number: C00166710

Reference: July Quarterly Report (4/1/02-6/30/02)

Dear Mr. Olson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(a)(i) of the Detailed Summary Page discloses a memo entry of \$18,115.31 from "VF/Unitemized ASDC". Please be advised that Victory Fund and ASDC-Dollars for Democrats are two separate joint fundraising committees affiliated with your committee. You must provide separate memo Schedule A's for each joint fundraiser. Please clarify whether this memo entry includes unitemized receipts from both "Victory Fund" and "ASDC-Dollars for Democrats".

-Your report discloses memo Schedule A's totaling \$18,115.31 from the "VF/Unitemized ASDC", which appears to be a joint fundraising committee. However, there are no corresponding transfers-in from this committee disclosed on Schedule A for supporting Line 12 of the Detailed Summary Page. Please clarify this apparent discrepancy.

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

ARIZONA STATE DEMOCRATIC CENTRAL EXECUTIVE COMMITTEE  
PAGE 2

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2))  
The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from "Hyatt Regency", "Arizona Biltmore Resort", and "Phoenix Civic Plaza". Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and

ARIZONA STATE DEMOCRATIC CENTRAL EXECUTIVE COMMITTEE  
PAGE 3

non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please amend your report to provide the original date of each disbursement to the vendors listed above and provide clarification regarding these apparent omissions.

-On Schedule H2, you disclose the ratio for "Jefferson-Jackson Dinner" and "Clinton 04302002" to be new; however, Schedule H2 of your April Quarterly Report disclosed ratios for these activities/events which are identical to the one given in this report. Please amend your report to clarify this discrepancy. 11 CFR §104.10(a)(1)

-Schedule H3 of your report discloses two transfers-in from "Arizona Democratic Party Federal Accou". Please be advised that transfers for shared activity on Schedule H3 should originate from your non-federal account. Please amend your report to clarify the source of the transfers-in.

If this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report to clarify the nature of these transfers.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the impermissible funds or clarification of the transaction, will be taken into consideration.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running

ARIZONA STATE DEMOCRATIC CENTRAL EXECUTIVE COMMITTEE  
PAGE 4

EVENT YEAR-TO-DATE total should be disclosed after each disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

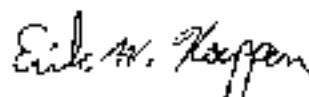
-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "miscellaneous expenses", "field consultant services", "consultant services", and "\$566.50". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-The totals listed on Lines 21(a)(i), 21(a)(ii), and 31, Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Contributions from other candidate committees and transfers in from other affiliated committees should be properly disclosed on a separate Schedule(s) A, supporting Line(s) 11(c) and 12 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Erik W. Koeppen  
Campaign Finance Analyst  
Reports Analysis Division

